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THE SECRETARY OF STATE
WASHINGTON

September 1, 1978

MEMORANDUM FOR: THE VICE PRESIDENT

From: Cyrus Vance

Subject: Meeting with Argentine President Videla

You are scheduled to meet with Argentine President Videla September 4 in Rome to discuss U.S.-Argentine relations and ways to reverse a precipitous deterioration in our relations. The basic point you should make is that we seriously wish to improve relations as conditions permit and that a comprehensive and thorough review of our total relationship may be desirable. Assistant Secretary Vaky has been designated to undertake this task and is prepared to make arrangements with President Videla for this purpose.

SETTING

Faced with a once severe terrorist threat, the military government in Argentina has seriously abused basic human rights (Attachment 1). The United States has as a result restricted military sales (an embargo on the sale of Munitions List items will go into effect October 1. Attachment 2), held back approval of Argentine transactions in the Export-Import Bank, and voted against Argentine loan proposals in the International Financial Institutions (Attachment 3). We have sought to induce improvement by indicating that Argentine steps in this direction would result in relaxing these restrictions. *The terrorist threat does not, at this point, appear to warrant the repression actions taken in its name.*

Initially, the Argentine Government reacted to our pressure with some restraint and sought to convince us of the necessity of its actions. More recently, however, it has moved rapidly to diversify its international ties, reassess its relationship with us, and prepare to adopt an adversarial course.

In a major attempt to encourage progress in human rights and improve relations, Under Secretary Newsom visited Argentina last May and suggested that some

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relaxation of our restrictive actions would be possible if the Argentine government would take one or more of the following steps (Attachment 4):

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- Agreement with the Inter-American Human Rights Commission (IAHRC) on a visit to Argentina;
- Try, release, or allow exile for the prisoners held without charge;
- Establish a mechanism to inform families of the fate of the disappeared.

While Mr. Newsom was given a courteous and sympathetic reception, the Argentine authorities have not taken any significant steps forward since his visit. Reaction in Argentina to our pressure, on the other hand, has been severe. Contrary to our own view, many Argentines consider that the situation has measurably improved in the last two years. The recent ~~denial of an Ex-Im letter of interest to Allie Chalmers for the sale of hydroelectric equipment, in particular, was seen as a deliberate escalation in our sanctions.~~

As the most powerful Spanish-speaking country of South America, Argentina could become a significant negative force in areas important to us such as nuclear proliferation (Attachment 5) regional security arrangements, conventional arms restraint, and Third World issues.

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Videla's Approach

We do not know exactly what Videla will say. He may simply give the standard Argentine exposition -- that human rights violations are an unfortunate, if unavoidable and necessary, by-product of the effort to suppress a vicious terrorist campaign, which threatens Argentina with anarchy. On the other hand, there is also the possibility that he might bring some new concrete points, explain steps they are now prepared to take (particularly in regard to the Human Rights Commission), and suggestions on the future evolution of U.S.-Argentine relations.

Your Approach

Your approach should be sympathetic. You would wish to avoid commitments in response to specific suggestions, if any, but would note that you will carry Videla's

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message back to President Carter.

We recommend you say specifically:

- On our side, we seriously wish to improve relations;
- As a token of this, we have taken -- and are taking -- some modest steps, such as release of export licenses for ambulance aircraft as well as Army and helicopters, airport radar equipment, voice security communications equipment and other items on our Munitions Export Control List. JV
- While we understand the tragic history of Argentina's domestic political conflict, we remain concerned over the human rights situation, specifically the treatment of the human person.
- We wish to maintain normal relations in as many areas as possible, as is evidenced, for example, by the forthcoming bilateral economic consultations (Attachment 6), and are prepared to expand these relations as conditions permit. 10 ✓
- We believe a thorough and comprehensive review of the whole gamut of our relations would be desirable. The President and the Secretary of State have asked Assistant Secretary Vaky to undertake this.
- The place and format for such consultations would be for President Videla to decide. Assistant Secretary Vaky is willing to come to Buenos Aires, as previously proposed.

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